

July 21, 2010

Dear President Obama:

As concerned legislators from throughout the country, including members of the Coastal States Caucus representing legislators from 30 coastal and Great Lakes states working together to address pressing economic, resource and environmental issues facing US coastal waters and communities, we respectfully submit to you the following recommendations regarding the devastating oil spill in the Gulf of Mexico. We stand united with our colleagues on the Gulf Coast in the demand that we, as a nation, do everything in our power to address this disaster. We also need to use this event as a catalyst to update our oil spill preparedness and response laws, increase our nation's renewable energy portfolio and begin implementation of the overarching national ocean policy and coastal and marine spatial planning called for by your Interagency Ocean Policy Task Force.

Ensure responsible parties are held liable. As the costs of the oil spill continue to climb into the billions of dollars, the Administration and Congress must hold BP accountable for the damages and related costs resulting from the spill. This should include damages to current and future marine resources in the Gulf, Gulf coast living marine resources, and harm to critical habitat in coastal wetlands caused by the oil and dispersants. In addition to natural resource damages, short and long-term economic costs to coastal communities, businesses and individuals should also be borne by the responsible parties, including, but not limited to fines assessed for violations of the Oil Pollution Act, Clean Water Act and other applicable statutes.

Lift the Cap on Liability. This must be done such that it is retroactive for the BP spill. While we are confident the Congress is taking action to remove the cap on damages, it is critical that it happens. The compensation levels that were developed 20 years ago are no longer acceptable and must be reconciled with the level of damages accompanying this and future disasters.

Gulf Coast and Estuaries Restoration Fund. In addition to holding BP accountable and using fines assessed to support restoration of the Gulf of Mexico's environment and economy, we encourage your Administration to create a Gulf Coast and Estuaries Restoration Fund. This Fund should be dedicated to Gulf restoration efforts and be capitalized by revenue derived from an increase in the per-barrel tax on oil produced in and imported into the U.S. Even a slight increase in money collected per barrel would raise hundreds of millions per year. Expenditure of these funds should be guided by a comprehensive Gulf restoration plan, which must be established quickly to ensure the strategic and effective use of these resources. As spill-related damages are mitigated and restored, the Fund should expand its focus to support coastal, ocean and Great Lakes restoration across all coastal and Great Lake states.

Federal Agency Roles in the Gulf Restoration Program. Federal Agencies will play an important lead role, providing resources and coordinating state and local efforts as restoration moves forward. Adequate support and recognition for those agencies will be critical as the restoration proceeds. Clearly, priority

consideration must be given to addressing immediate needs in the Gulf given the magnitude of the disaster. We applaud your commitment to establishing a Gulf Restoration Program to be lead by Secretary of Navy Mabus. The Program will play a crucial role helping ensure not only a coordinated and effective federal response, but also the collaboration of federal agencies with regional, state, local, NGO and private entities involved in the recovery. While there are many federal agencies whose participation in this effort will be essential to its success, as the organization and structure is refined, we strongly urge that the National Ocean and Atmospheric Administration (NOAA) be given a lead role supporting Secretary Mabus and the Program. NOAA's key role in the Natural Resource Damage Assessment process, its commitment to healthy marine ecosystems, its deep knowledge and demonstrated success in restoration science and implementation, make its participation essential to the success of such a large scale, region-wide restoration effort.

Establish a Dedicated Ocean Trust Fund to support long-term marine and coastal stewardship. We propose the Congress and the Administration establish a sustained and dedicated source of revenue —through an Ocean Trust Fund— to support long-term marine and coastal stewardship throughout the country. Funding should be invested in activities that include: acquisition and restoration of coastal areas, scientific research, data collection, mapping and spatial planning, mitigation of damage to fish, wildlife or natural resources, planning assistance and administrative costs, and implementation of marine conservation management plans.

Such a fund would also provide opportunities for coastal and Great Lakes states to implement priorities identified by your Interagency Ocean Policy Task Force. Successful implementation of the Task Force recommendations will require additional funding for states, as well as federal agencies with core ocean-related mission responsibilities. Our desire is to address the needs in the Gulf as well as ensure the work of the Task Force translates into action on the ground around the nation by securing funds for states and regional efforts to establish collaborative processes that will support a balanced approach to coastal and ocean conservation and development activities.

Given the catastrophic damages that can occur from just one oil spill, and the environmental implications of other commercial activities in federal waters, we strongly recommend using revenue derived from increasing the royalty rate for offshore oil and gas leasing, and any future commercial ventures generating revenue from Outer Continental Shelf activities, such as aquaculture and renewable energy production, to capitalize the fund, thereby establishing a legacy of stewardship for long neglected ocean and coastal waters. Oil, gas and other potential resources in and under federal waters belong to all Americans, and an Ocean Trust Fund would benefit our coasts and oceans and the communities that depend upon them for generations. The principle of reinvesting the revenues from offshore activities into coastal and marine protection and restoration is not new and has been included in recently introduced legislation related to the BP oil spill.

Therefore, we respectfully request that you capitalize on growing interest on Capitol Hill and aggressively work for the establishment of an Ocean Trust Fund, or similar funding mechanism, to address the situation in the Gulf of Mexico, protect the future of all of our coastal and Great Lakes states, and ensure implementation of the priorities identified by your Task Force.

National Ocean, Coasts & Great Lakes Policy. We are encouraged by your very recent Executive Order creating the National Policy for the Stewardship of the Ocean, Coasts, and Great Lakes (National Policy). While the National Policy would not have stopped the BP disaster from occurring, it would have improved the situation by providing necessary oversight and coordination in advance of a disaster, improved protection of natural resources and the economies that depend upon those resources, and created an integrated approach to management that includes enforcement of the varying ocean uses. The Executive Order is a positive step in the right direction for our coastal states. It will help us conserve our coastal and ocean resources, protect critical existing uses such as fishing, while allowing more involvement in the siting of new uses by states. In addition, we greatly appreciate that you addressed our earlier requests by giving state legislators a representative on the National Policy's Governance Coordinating Committee.

The Gulf disaster clearly highlights the importance of articulating and implementing a comprehensive National Policy, one that includes coastal and marine spatial planning, which will facilitate a thoughtful, broad public discussion about future energy siting and other activities in our Nation's waters. Several coastal states are already making progress in these areas. For example, both Washington State and Massachusetts have thousands of miles of shoreline and millions of acres of aquatic lands used for fishing, aquaculture, shipping, recreation and potential renewable energy facilities. Both states have recently passed Acts mandating a comprehensive approach to planning the use of their marine waters through a rational, public process that integrates all these multiple management objectives through coastal and marine spatial planning. The National Ocean Policy will provide the framework essential to facilitating cooperation and collaboration and ensuring state, federal and international waters are properly managed and conserved to ensure their long-term health and continuation of the multitude of benefits and services these waters provide.

Collaboration as a Driver. We want to reemphasize the importance of using a portion of new funding to support collaborative, partnership focused processes that include federal agencies, our states, regions, and local communities, as well as academia and the private sector. The needs in the Gulf, Great Lakes and ocean ecosystems around the nation, demand such an approach. Thus, while a primary focus is on securing funding to support state and regional efforts, we recognize and support efforts to also provide vital financial resources for core federal programs that provide information and services crucial to the implementation of actions that support understanding, protection, maintenance and restoration of economically valuable coastal resources and habitat. Strengthening ocean and coastal program partnerships with stakeholders at the federal and state level holds the greatest potential for ensuring critical advances in understanding, management and conservation of our nation's greatest ecological and economic assets, our oceans, coasts, and Great Lakes.

The Deepwater Horizon oil spill is an unprecedented environmental disaster that is threatening the Gulf of Mexico, the Nation, and many of our states' coastal communities and their economies. We must learn from every aspect of this oil spill and show leadership by updating current laws and regulations, and creating new laws to ensure that this catastrophe never happens again. We sincerely appreciate you considering these comments.

We strongly support your commitment to the long-term health and welfare of our oceans, coasts and Great Lakes and the communities they benefit, and we remain available to assist you in this effort. Please contact Washington State Senator Kevin Ranker, Chairman of the Coastal States Caucus (CSC), for inquiries or clarification regarding the issues raised in our letter.

Sincerely,

Senator Kevin Ranker,

Chair, Coastal States Caucus

Representative Alexander Cornell du Houx,

Maine

CSC Executive Committee

Henry Cushin

Representative Renny Cushing,

New Hampshire

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Representative Frank Hornstein

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Delegate Tom Hucker

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Senator Mattie Hunter

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Representative Melissa Walsh Innes

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Senator Ken Jacobsen

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Representative Naomi Jakobsson

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Senator Ed Meyer

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Senator Mark Miller

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Delegate Dan Morhaim

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